# <u>Committee Name</u>: Senate Select Committee – Job Creation (SSC–JC)

## Appointments

03hr\_SSC-JC\_Appt\_pt00

# **Committee Hearings**

03hr\_SSC-JC\_CH\_pt00

#### **Committee Reports**

03hr\_SSC-JC\_CR\_pt00

### Clearinghouse Rules

03hr\_SSC-JC\_CRule\_03-

#### **Executive Sessions**

03hr\_SSC-JC\_ES\_pt00

# Hearing Records 03hr\_ab0728

03hr\_sb0000

#### Misc.

03hr\_SSC-JC\_Misc\_pt00

# **Record of Committee Proceedings**

03hr\_SSC-JC\_RCP\_pt00

Paper Ballot: Senator Kanavas

Deadline: Monday, 3-1-04, 12:00 pm

Companion bills AB 728 and SB 375 were both introduced in their respective houses on January 7, 2004. SB 375 received a public hearing on January 27, 2004. On February 4, 2004, the "comprehensive planning by local governmental units" portion was amended out of the bill. SB 375 passed both houses as amended by voice votes.

The Assembly amended the "fees imposed by political subdivisions" portion out of AB 728 and passed it. The bill has been referred to the Senate Select Committee on Job Creation.

Please return your vote via paper ballot to Senator Stepp's office by 12:00 pm, Monday, March 1, 2004.

Thank you.

Assembly B	ill '	728
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relating to: comprehensive planning by local governmental units and fees imposed by political subdivisions.

Concurrence:

YES

NO

Signature

Distributed 2-27-04 - 11:00 am

Paper Ballot: Senator Leibham

Deadline: Monday, 3-1-04, 12:00 pm

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Thank you.

**Assembly Bill 728** 

relating to: comprehensive planning by local governmental units and fees imposed by political subdivisions.

Concurrence:

YES YES

Signature

Distributed 2-27-04 – 11:00 am

Paper Ballot: Senator Jauch

Deadline: Monday, 3-1-04, 12:00 pm

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Thank you.

**Assembly Bill 728** 

relating to: comprehensive planning by local governmental units and fees imposed by political subdivisions.

Concurrence:

\_\_\_YES XNC

Distributed 2-27-04 - 11:00 am

Paper Ballot: Senator Chvala

Deadline: Monday, 3-1-04, 12:00 pm

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Thank you.

**Assembly Bill 728** 

relating to: comprehensive planning by local governmental units and fees imposed by political subdivisions.

Concurrence:

YES X NO

Muck Church
Signature

Distributed 2-27-04 - 11:00 am



WISCONSIN REALTORS' ASSOCIATION 4801 Forest Run Road, Suite 201 Madison, WI 53704-7337 608-241-2047 ■ 800-279-1972

Fax: 608-241-2901 E-mail: wra@wra.org Web site: http://www.wra.org

William Malkasian, CAE, President

Walter Hellyer, CRB, CRS, GRI, Chairman E-mail: corky@propertydoor.com

E-mail: wem@wra.org

# Memorandum

To: All Legislators

From: Tom Larson and Michael Theo

Date: January 16, 2004

Re: SB 375/AB 728, as amended - Local Fees

The Wisconsin REALTORS Association encourages you to support for SB375/AB 728, as amended, legislation that seeks to codify existing case law standards for imposing fees at the local level.

#### BACKGROUND

Given the cuts in state aid and the revenue shortfalls facing local governments, more communities are looking to generate additional revenues or cover increased costs by raising fees related to economic development. These proposed fee increases have come in a wide variety including those related to building permits, plat review, erosion control and stormwater management permits, zoning changes, and numerous other permits and government services. While fees are a necessary means to fund government services, excessive fees can significantly increase the costs of housing and economic development in the community.

Although local governments clearly have the authority to assess fees, Wisconsin courts have said that fees cannot exceed the actual government costs incurred by the government in providing the related service. Milwaukee v. Milwaukee & S.T. Corp., 6 Wis.(2d) 299, 309-11 (1959). When the fees exceed the government's costs in providing the services, those fees are considered an illegal tax unless they were specifically authorized by the legislature. Id. More specifically, a government fee must be fair and reasonable and bear a reasonable relationship to the benefits conferred on those receiving the services (i.e., it cannot be used to benefit the general public). 71 Am. Jur. 2d, State and Local Taxation, sec. 13. Although the courts have spoken on this issue, many local communities continue to overlook these standards.

#### PROPOSAL

To ensure that local officials are more aware of the legal parameters for imposing local fees, SB 375/AB 728, as amended, only attempts to codify existing case law standards. Under the bill, any fee charged by local units of government for a government-related service may not exceed the actual costs incurred by the local unit of government to provide that service.

Unlike the original version of this legislation, SB 375/AB 728, as amended, does not require local units of government to issue written findings to support their fee calculations. This change was made at the request of the League of Municipalities, Alliance of Cities, Towns Associations, and Counties Association, all of whom agree that the bill, as amended, is a codification of existing case law and have agreed to remove opposition.

We strongly encourage your support for SB 375/AB 728, as amended. If you have any questions, please feel free to contact us at (608) 241-2047.

